

REFERENCE TITLE: **veterans' organizations; solicitations**

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

## **HB 2526**

Introduced by  
Representatives Deschene, Antenori, Chabin, Heinz, Pancrazi, Young Wright,  
Senator Hale

**AN ACT**

**TRANSFERRING AND RENUMBERING SECTION 13-3722, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 44, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, AS SECTION 44-6562; AMENDING TITLE 44, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-6563; RELATING TO SOLICITATIONS FOR VETERANS' ORGANIZATIONS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Transfer and renumber

3 Section 13-3722, Arizona Revised Statutes, is transferred and  
4 renumbered for placement in title 44, chapter 19, article 1, Arizona Revised  
5 Statutes, as section 44-6562.

6 Sec. 2. Title 44, chapter 19, article 1, Arizona Revised Statutes, is  
7 amended by adding section 44-6563, to read:

8 44-6563. American veterans' organizations; application; renewal  
9 request

10 A. TO APPLY FOR APPROVAL FROM THE DEPARTMENT OF VETERANS' SERVICES  
11 PURSUANT TO SECTION 41-603, A PERSON WHO SOLICITS MONEY OR OTHER SUPPORT IN  
12 THE NAME OF AMERICAN VETERANS MUST SUBMIT THE FOLLOWING TO THE DEPARTMENT:

13 1. AN APPLICATION ON THE FORM PRESCRIBED BY THE DEPARTMENT.

14 2. A COPY OF THE ORGANIZATION'S REGISTRATION STATEMENT FILED WITH THE  
15 SECRETARY OF STATE.

16 3. A COPY OF THE ORGANIZATION'S ARTICLES OF INCORPORATION AND BYLAWS  
17 AND ANY AMENDMENTS TO THOSE DOCUMENTS.

18 4. A COPY OF THE ORGANIZATION'S MOST RECENT ANNUAL REPORT FILED WITH  
19 THE ARIZONA CORPORATION COMMISSION, IF APPLICABLE.

20 5. A COPY OF ANY OTHER DOCUMENT THE ORGANIZATION FILED WITH THE  
21 ARIZONA CORPORATION COMMISSION.

22 6. A COPY OF DOCUMENTATION SHOWING THE ORGANIZATION'S NONPROFIT TAX  
23 STATUS WITH THE INTERNAL REVENUE SERVICE.

24 7. A COPY OF THE FIVE MOST RECENT ANNUAL REPORTS AND RETURNS THE  
25 ORGANIZATION FILED WITH THE INTERNAL REVENUE SERVICE.

26 8. A COPY OF THE ORGANIZATION'S ORGANIZATIONAL CHART IDENTIFYING EACH  
27 POSITION AND THE NAME OF EACH PERSON WHO HOLDS THE POSITION AS OF THE TIME  
28 THE APPLICATION IS SUBMITTED AND WHETHER THAT PERSON IS COMPENSATED.

29 B. ANY ORGANIZATION THAT HAS BEEN APPROVED BY THE DEPARTMENT OF  
30 VETERANS' SERVICES PURSUANT TO SUBSECTION A OF THIS SECTION MUST ANNUALLY  
31 RENEW ITS REQUEST FOR APPROVAL EVERY SEPTEMBER. TO RENEW ITS REQUEST, THE  
32 ORGANIZATION MUST SUBMIT THE FOLLOWING TO THE DEPARTMENT:

33 1. A RENEWAL REQUEST ON THE FORM PRESCRIBED BY THE DEPARTMENT.

34 2. A COPY OF THE ORGANIZATION'S CURRENT REGISTRATION STATEMENT FILED  
35 WITH THE SECRETARY OF STATE.

36 3. A COPY OF ANY AMENDMENTS MADE TO THE ORGANIZATION'S ARTICLES OF  
37 INCORPORATION AND BYLAWS SINCE THE LAST FILING WITH THE DEPARTMENT UNDER THIS  
38 SECTION.

39 4. A COPY OF THE ORGANIZATION'S MOST RECENT ANNUAL REPORT FILED WITH  
40 THE ARIZONA CORPORATION COMMISSION.

41 5. A COPY OF ANY OTHER DOCUMENT THE ORGANIZATION FILED WITH THE  
42 ARIZONA CORPORATION COMMISSION SINCE THE LAST FILING WITH THE DEPARTMENT  
43 UNDER THIS SECTION.

1           6. DOCUMENTATION SHOWING ANY CHANGE TO THE ORGANIZATION'S NONPROFIT  
2 TAX STATUS WITH THE INTERNAL REVENUE SERVICE SINCE THE LAST FILING WITH THE  
3 DEPARTMENT UNDER THIS SECTION.

4           7. A COPY OF THE ORGANIZATION'S MOST RECENT ANNUAL REPORT AND RETURN  
5 FILED WITH THE INTERNAL REVENUE SERVICE.

6           8. A COPY OF THE ORGANIZATION'S ORGANIZATIONAL CHART, IDENTIFYING EACH  
7 POSITION AND THE NAME OF EACH PERSON WHO HOLDS THE POSITION AS OF THE TIME  
8 THE RENEWAL REQUEST IS SUBMITTED AND WHETHER THAT PERSON IS COMPENSATED.

9           C. IF THE DEPARTMENT OF VETERANS' SERVICES REJECTS AN ORGANIZATION'S  
10 APPLICATION OR RENEWAL REQUEST, THE ORGANIZATION MAY SUBMIT A REREGISTRATION  
11 REQUEST TO THE DEPARTMENT. TO REQUEST A REREGISTRATION, THE ORGANIZATION  
12 MUST SUBMIT THE FOLLOWING TO THE DEPARTMENT:

13           1. ALL DOCUMENTS REQUIRED FOR AN APPLICANT PURSUANT TO SUBSECTION A OF  
14 THIS SECTION.

15           2. A REREGISTRATION PENALTY OF ONE HUNDRED DOLLARS PAYABLE TO THE  
16 DEPARTMENT.

17           D. THE DEPARTMENT OF VETERANS' SERVICES MAY REJECT AN INITIAL  
18 APPLICATION, A RENEWAL REQUEST OR A REREGISTRATION REQUEST IF IT FINDS ANY OF  
19 THE FOLLOWING IS TRUE:

20           1. THE ORGANIZATION SPENDS MORE THAN THIRTY-FIVE PER CENT OF ITS MONEY  
21 FOR FUND-RAISING AND ADMINISTRATIVE COSTS.

22           2. THE ORGANIZATION'S UNRESTRICTED ASSETS, INCLUDING UNRESTRICTED CASH  
23 AND SECURITIES, EQUAL MORE THAN THREE TIMES THE ORGANIZATION'S ANNUAL  
24 EXPENSES.

25           3. THE ORGANIZATION'S BOARD OF DIRECTORS HAS FEWER THAN FIVE VOTING  
26 MEMBERS.

27           4. MORE THAN TEN PER CENT OF THE ORGANIZATION'S BOARD MEMBERS ARE  
28 COMPENSATED.

29           5. THE CHAIRMAN OF THE ORGANIZATION'S BOARD IS COMPENSATED.

30           6. THE ORGANIZATION'S BOARD TREASURER IS COMPENSATED.

31           7. ANY OTHER FACTOR THAT IN THE SOLE DISCRETION OF THE DEPARTMENT OF  
32 VETERANS' SERVICES WARRANTS REJECTION.

33           E. IF THE DEPARTMENT OF VETERANS' SERVICES REJECTS AN ORGANIZATION'S  
34 INITIAL APPLICATION, RENEWAL REQUEST OR REREGISTRATION REQUEST:

35           1. THE DEPARTMENT SHALL NOTIFY THE ORGANIZATION BY SENDING NOTICE BY  
36 CERTIFIED MAIL TO THE ADDRESS IDENTIFIED IN THE INITIAL APPLICATION, RENEWAL  
37 REQUEST OR REREGISTRATION REQUEST.

38           2. THE ORGANIZATION MAY REQUEST A HEARING PURSUANT TO TITLE 41,  
39 CHAPTER 6, ARTICLE 10.

40           F. ON RECEIPT OF A NOTICE THAT THE DEPARTMENT OF VETERANS' SERVICES  
41 HAS REJECTED AN ORGANIZATION'S RENEWAL REQUEST, THE ORGANIZATION MUST  
42 IMMEDIATELY DISCONTINUE SOLICITING MONEY OR OTHER SUPPORT IN THE NAME OF  
43 AMERICAN VETERANS.

1           G. IF AN ORGANIZATION DOES NOT SUBMIT A TIMELY RENEWAL REQUEST, THE  
2 ORGANIZATION MUST DISCONTINUE SOLICITING MONEY OR OTHER SUPPORT IN THE NAME  
3 OF AMERICAN VETERANS ON OR BEFORE THE FIRST DAY OF OCTOBER OF THAT YEAR.

4           H. AN ORGANIZATION MAY NOT EMPLOY THE SERVICES OF A PROFESSIONAL  
5 FUND-RAISER TO SOLICIT MONEY OR OTHER SUPPORT IN THE NAME OF AMERICAN  
6 VETERANS UNLESS THE PROFESSIONAL FUND-RAISER IS REGISTERED WITH THE SECRETARY  
7 OF STATE AS PROVIDED BY SECTION 44-6554.

8           I. SOLICITING MONEY OR OTHER SUPPORT IN THE NAME OF AMERICAN VETERANS  
9 FROM CONSUMERS IN THIS STATE IN VIOLATION OF THIS SECTION CONSTITUTES AN  
10 UNLAWFUL PRACTICE PURSUANT TO SECTION 44-1522.

11           J. THE PROVISIONS OF THIS SECTION ARE IN ADDITION TO ALL OTHER CAUSES  
12 OF ACTION, REMEDIES AND PENALTIES AVAILABLE TO THIS STATE.